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17 **UNITED STATES DISTRICT COURT**
18 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**
19 **SAN JOSE DIVISION**

20 APPLE INC., CISCO SYSTEMS, INC.,
21 GOOGLE LLC, INTEL CORPORATION,
EDWARDS LIFESCIENCES
CORPORATION, and EDWARDS
LIFESCIENCES LLC,

22 Plaintiffs,

23 v.

24 ANDREI IANCU, in his official capacity as
25 Under Secretary of Commerce for Intellectual
Property and Director, United States Patent
and Trademark Office,

26 Defendant.

Case No. 20-cv-6128-EJD

**BRIEF OF AMICI CURIAE MONOLITHIC
POWER SYSTEMS, INC.; ENGINE
ADVOCACY; AND ACT | THE APP
ASSOCIATION IN SUPPORT OF
PLAINTIFFS' MOTION FOR SUMMARY
JUDGMENT**

Date: March 11, 2021
Time: 9:00 AM
Location: Courtroom 4, 5th Floor
Judge: Hon. Edward J. Davila

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1 **I. INTEREST OF AMICUS CURIAE**

2 Monolithic Power Systems, Inc. (“MPS”), provides innovative power circuits used in a wide
3 variety of products, including cloud computing, telecom, automotive, industrial, and consumer
4 applications. MPS relies on a robust patent system to protect its massive investment in researching
5 and developing its technology and bringing products with that technology to market. But given the
6 breadth of products that use MPS’s technology, MPS also relies on the patent system to revoke bad
7 patents from other companies that never should have issued.

8 ACT | The App Association is a not-for-profit international grassroots advocacy and
9 education organization representing more than 5,000 small business software application developers
10 and information technology firms. The App Association is the only trade association focused on the
11 needs of small business innovators, and advocates for an environment that inspires and rewards
12 innovation while providing resources to help its members leverage their intellectual assets to raise
13 capital, create jobs, and continue to grow.

14 Engine Advocacy (“Engine”) is a non-profit technology policy, research, and advocacy
15 organization that bridges the gap between policymakers and startups. Engine works with government
16 representatives and a community of high-technology, growth-oriented startups across the nation to
17 support the development of technology entrepreneurship. Engine conducts research, organizes
18 events, and spearheads campaigns to educate elected officials, the entrepreneur community, and the
19 general public on issues vital to fostering technological innovation. Part of amplifying the startup
20 concerns includes highlighting the unique challenges small startups face when confronted with
21 abusive, and typically opaque, patent litigation.

22 The disposition of the case will have lasting impacts on amici curiae’s proprietary and legal
23 interests, and on the interests of others in the industry because it makes it harder to invalidate bad
24 patents covering prior-art designs through the IPR process. This, in turn, allows nuisance patent
25 holders to slow amici curiae’s innovative progress by causing unnecessary litigations over patents
26 that never should have issued in the first place—which is what the IPR statute was intended to
27 protect against.

1 Here, MPS is similarly situated to the plaintiffs in this case because it has pending IPRs that
2 may fall victim to the Patent Trials and Appeals Board’s (“PTAB”) *NHK-Fintiv* Rule. Such a ruling
3 would not only be unfair and prejudicial to MPS—it would contradict the IPR statute. Under the IPR
4 statute, MPS has one year from the date the district court complaint was served to file its IPR
5 petitions, and MPS timely filed those petitions within that window. Through the *NHK-Fintiv* Rule,
6 however, the PTAB created a stricter deadline than the IPR statute provides and gave itself the
7 unchecked authority to deny institution based solely on those stricter timing rules (and without ever
8 addressing the merits of the petition). Even worse, some of the timing delays that the PTAB relies
9 on to deny institution *are caused by the PTAB itself* (e.g., months-long delays in performing the
10 perfunctory task of according a filing date to an IPR petition). In MPS’s IPR petition, the PTAB
11 artificially created a delay of more than a month, and that extra month gave the PTAB a potential
12 basis to deny MPS’s petitions under the *NHK-Fintiv* Rule. This rule must be overturned—it enlarges
13 the PTAB’s power in denying institution beyond with the IPR statute allows and it ultimately allows
14 bad patents which stand in the way of innovation to escape review by the PTAB, contrary to
15 Congress’s intent.

16 **II. STATEMENT OF FACTS**

17 MPS’s recent experience illustrates the potential harm to the patent system that can result
18 from the *NHK-Fintiv* Rule. Volterra Semiconductor LLC sued MPS in the District of Delaware in
19 December 2019. After analyzing the asserted patents and relevant prior art, MPS filed five IPR
20 petitions less than nine months later (on July 28, 2020). Volterra’s counsel (Fish & Richardson) filed
21 mandatory notice and power-of-attorney documents on August 14, 2020.

22 Despite MPS’s filing of all five IPR petitions in July 2020, and despite Fish & Richardson
23 making its mandatory filings roughly two weeks later, the PTAB delayed in according MPS’s
24 petitions a filing date until September 09, 2020. This pushed back the IPR schedule (including the
25 due date for the PTAB’s Final Written Decision) by 43 days through no fault of MPS’s. Knowing
26 this PTAB delay could implicate the *NHK-Fintiv* Rule, MPS raised the issue at a Scheduling
27 Conference with the District Court of Delaware on September 10, 2020, and requested a trial date
28 that would be after the expected Final Written Decision date for the IPRs. The district court judge

1 refused to consider the request and set an artificial trial date in February of 2022, despite admitting
2 on the record that there was already another trial scheduled for that date.

3 Without further recourse at the district court, MPS contacted the PTAB on September 16,
4 2020, and requested that it condense the schedule for the Patent Owner's Preliminary Response from
5 December 09, 2020 to November 12, 2020, which would have been 90 days from the date Volterra's
6 counsel first made a formal appearance in the IPR proceedings, and 107 days from when the IPRs
7 were filed. The PTAB denied MPS's request as premature in a three-sentence email that contained
8 no substantive analysis. MPS submits this amicus brief in hopes that this Court will issue an order in
9 favor of the plaintiffs that also has the effect of preventing injustices against MPS caused by the
10 *NHK-Fintiv* Rule.

11 **III. SUMMARY OF ARGUMENT**

12 Declining to overturn the *NHK-Fintiv* Rule will allow the PTAB to continue discretionarily
13 denying IPR petitions based on nothing other than a capricious trial date scheduled in a district court
14 litigation. That is, if the due date for a Final Written Decision is set for after the district court trial
15 date, the PTAB can deny institution for that reason alone under the *NHK-Fintiv* Rule. Even more
16 egregiously, under this Rule, the delay that pushes the Final Written Decision date beyond the trial
17 date *can be caused by the PTAB* (by failing to timely accord the IPR petitions a filing date). Here, if
18 the PTAB timely accorded MPS's five IPR petitions filing dates—instead of delaying for over a
19 month—those petitions would not be barred under *NHK-Fintiv*. Instead, the PTAB's delay, which
20 was caused through no fault of MPS's, may singlehandedly be the basis for denying institution. This
21 would be a manifest injustice, and this Court has the ability to prevent it by overturning the *NHK-*
22 *Fintiv* Rule.

23 The unprecedented power that the PTAB gave itself through the *NHK-Fintiv* Rule contradicts
24 35 U.S.C § 315(b), which gives an IPR petitioner one year to file its petition after being served with
25 a complaint. Congress expressly set the one-year deadline to give petitioners appropriate time to
26 consider the scope of the case and the prior art before filing an IPR. The *NHK-Fintiv* Rule
27 erroneously replaces this predictable, one-year statutory deadline with a deadline that shifts
28 depending on when a district court judge sets a trial date. Further undermining the *NHK-Fintiv* Rule

1 is that trial dates are often artificial placeholders that get pushed back. A right plainly provided by a
2 federal statute cannot be revoked by an administrative body and replaced with a lesser right
3 predicated on a speculative trial date set by a federal judge.

4 The *NHK-Fintiv* Rule further conflicts with the purpose of IPR, which is an important tool
5 for promoting patent quality and preventing nuisance patent holders from using bad patents to slow
6 amici curiae, startups, and small business innovators. If the PTAB is allowed to continue to apply
7 this arbitrary rule and refuses to consider patent invalidity based on speculative trial dates, more bad
8 patents will be shielded from scrutiny without justification.

9 **IV. ARGUMENT**

10 **A. The *NHK-Fintiv* Rule Is Improper and Violates the IPR Statute**

11 Although “the PTO is permitted, but never compelled, to institute an IPR proceeding,” the
12 *NHK-Fintiv* Rule is a substantive rule that alters the rights and interests of IPR petitioners by
13 permitting the Board to deny institution of IPR based on parallel district court litigation. *See*
14 *Harmonic Inc. v. Avid Tech, Inc.*, 815 F.3d 1356, 1367 (Fed. Cir. 2016). The PTAB’s application of
15 that rule has dramatically reduced the availability of IPR when there is a parallel district court action.
16 The rule also results in favoritism for IPR petitions filed when there is no co-pending litigation, or
17 when patents are being litigated in slow courts. This result not only undermines the intent of IPR—it
18 contradicts the plain language of 35 U.S.C. § 315(b).

19 **1. Contrary to the Plain Language of the Statute, the *NHK-Fintiv* Rule** 20 **Diminishes the Rights Provided by 35 U.S.C. § 315(b)**

21 If “the statutory text is plain and unambiguous,” a court must apply the statute according to
22 its terms. *See, e.g., Carciere v. Salazar*, 555 U.S. 379, 387 (2009). 35 U.S.C. § 315(b) plainly
23 provides a one-year grace period, stating: “an inter partes review may not be instituted if the petition
24 requesting the proceeding is filed more than 1 year after the date on which the petitioner, real party
25 in interest, or privy of the petitioner is served with a complaint alleging infringement of the patent.”
26 The one-year grace period was expressly and heavily contemplated by the statute’s legislative
27 history. Congress set the one-year deadline to give parties involved in litigation time to consider the
28 scope of the case before filing an IPR. 35 U.S.C. § 315(b). Senator Kyl explained that the final one-

1 year deadline was preferred over the original deadline proposed the Senate bill of 6-months because
2 “it is important that the section 315(b) deadline afford defendants a reasonable opportunity to
3 identify and understand the patent claims that are relevant to the litigation.” 157 Cong. Rec. S5429
4 (daily ed. Sept. 8, 2011) (Sen. Kyl). This is because “companies . . . have noted that they are often
5 sued by defendants asserting multiple patents with large numbers of vague claims, making it difficult
6 to determine in the first few months of the litigation which claims will be relevant and how those
7 claims are alleged to read on the defendant’s products.” *Id.* Furthermore, during the voting of the
8 amendment, Congress noted that the deadline of IPRs is a “delicate balance” and that a “core change
9 to the deadline may turn the inter partes program into a tool for litigation rather than a meaningful
10 and less expensive alternative to litigation.” Markup of H.R. 1249, The American Invents Act:
11 Hearing Before the House Judiciary Committee, 112 Congress, 72 (Apr. 14, 2011).

12 The *NHK-Fintiv* Rule eviscerates the one-year safe harbor provision in 35 U.S.C. § 315(b),
13 leaving IPR petitioners with fewer rights than the statute provides on its face. Rules that reduce or
14 eliminate rights provided by Congress have been overturned by the Supreme Court. For example, in
15 *Bostock v. Clayton County Georgia*, 140 S. Ct. 1731 (2020), Title VII was at issue, and specifically
16 the provision stating that employees could not be discriminated against based on race, color,
17 religion, sex, or national origin. *Id.*, at 1737. The Eleventh Circuit restricted the “sex” category to
18 *gender* and precluded it from covering *sexual orientation*. *Id.* at 1738. The Supreme Court
19 overturned the Eleventh Circuit, however, because the “sex” category covered both gender and
20 sexual orientation, which meant the Eleventh Circuit’s interpretation gave employees fewer rights
21 than the statute permitted. *Id.* at 1741 (holding that “it is impossible to discriminate against a person
22 for being homosexual . . . without discriminating against that individual based on sex.”).

23 In similar fashion, the *NHK-Fintiv* Rule reduces the rights that the plain meaning of 35
24 U.S.C. § 315(b) provides—i.e., it results in situations where IPR petitions are denied *purely for*
25 *timing reasons* even when they were filed within the one-year grace period. Even worse, the
26 mechanism the *NHK-Fintiv* Rule uses to revoke the rights provided by 35 U.S.C. § 315(b) is highly
27 arbitrary, since the amount of time cut out of the one-year grace period depends on speculative
28 district court trial dates often set years in the future. Moreover, this injustice is proliferating. Because

1 the *NHK* and *Fintiv* decisions were designated precedential, the Board has applied the *NHK-Fintiv*
2 Rule to deny IPR petitions on numerous occasions, even when the petitions were filed well before
3 the one-year statutory deadline. *See* D.I. 1 at ¶ 58 (listing cases).

4 In many of these cases, the trial date that the Board applied in its *NHK-Fintiv* analysis was
5 rescheduled for a later date. *See, e.g. Intel Corp. v. VLSI Tech. LLC*, No. IPR2020-00106, 2020 WL
6 2201828 (P.T.A.B. May 5, 2020). In 2016, by the most conservative count, just 5 petitions were
7 denied under the Board’s § 314(a) authority; in 2017, it was 15; by 2018, it was 45; and in 2019, it
8 was 75. It is set to be more than double that in 2020. *See*
9 <https://www.unifiedpatents.com/insights/2020/5/13/ptab-procedural-denial-and-the-rise-of-314>. This
10 trend is particularly troublesome where an analysis of discretionary denials of IPR petitions shows
11 that the initial trial date that was relied upon for the denial was rescheduled to a later date *in 100% of*
12 *the trials in Delaware and 70% of the trials in the U.S. District Court for the Western District of*
13 *Texas*, the two busiest patent venues. *See* District Court Trial Dates Tend to Slip After PTAB
14 Discretionary Denials, Scott McKeown (July 24, 2020) [https://www.patentspostgrant.com/district-](https://www.patentspostgrant.com/district-court-trial-dates-tend-to-slip-after-ptab-discretionary-denials)
15 [court-trial-dates-tend-to-slip-after-ptab-discretionary-denials](https://www.patentspostgrant.com/district-court-trial-dates-tend-to-slip-after-ptab-discretionary-denials).

16 2. The PTAB Improperly Applied the Authority the IPR Statute Gave It

17 Congress granted the USPTO the ability to make regulations as they relate to USPTO
18 proceedings. 35 U.S.C. §§ 315, 316(a). But these regulations cannot render other provisions in the
19 IPR statute meaningless. *See Aqua Prods. Inc. v. Matal*, 872 F.3d 1290, 1303 (Fed. Cir. 2017) (en
20 banc) (“When a statute expressly grants an agency rulemaking authority and does not
21 ‘unambiguously direct[]’ the agency to adopt a particular rule, the agency may ‘**enact rules that are**
22 **reasonable in light of the text, nature, and purpose of the statute.**’”) (emphasis added) (citations
23 omitted).

24 Nothing in the IPR statute states or even remotely suggests that the institution of an IPR
25 should be based on a scheduled trial date in a co-pending infringement litigation. 35 U.S.C. § 315(a)
26 expressly establishes the relationship between IPRs and district court. For example, Section
27 315(a)(1) states that “*inter partes* review may not be instituted if, before the date on which the
28 petition for such a review is filed, the petitioner or real party in interest filed a civil action

1 challenging the validity of a claim of the patent.” Section 315(a)(2) requires an automatic stay of the
2 of the civil court action if that action is filed after a petition for IPR is filed. And § 315(a)(3) states
3 that a counterclaim challenging the validity of a claim of the patent does not constitute a civil action
4 for purposes of this subsection. No other relationships between IPRs and district court actions are
5 provided in the IPR statute. Indeed, the IPR statute has an *express provision* giving petitioners a one-
6 year grace period to file a petition that begins when a district court complaint is served. 35 U.S.C.
7 § 315(b). And, while the USPTO can make regulations, those regulations cannot take the right
8 provided in § 315(b) away. *Aqua Prods.*, 872 F.3d at 1303.

9 **3. The *NHK-Fintiv* Rule Required Notice-and-Comment Rulemaking**

10 The AIA states that the “Director *shall prescribe regulations*” “setting forth the standards for
11 the showing of sufficient grounds to institute a review under section 314(a).” 35 U.S.C. § 316(a)(2)
12 (emphasis added). The AIA also expressly requires that the Director “shall consider the effect of any
13 such regulation on the economy, the integrity of the patent system, [and] the efficient administration
14 of the Office.” 35 U.S.C. 316(b) (emphasis added). The word “shall” mandates promulgation of
15 regulations. When Congress gives an agency a mandate to issue rules on a topic, the agency lacks
16 the authority to set standards through adjudication. *Massachusetts v. EPA*, 549 U.S. 497, 528 (2007).

17 Because the *NHK-Fintiv* Rule governs whether to institute a review, it alters the rights and
18 interests of IPR petitioners, which means the Director was required by both the APA and the AIA to
19 act through notice-and comment rulemaking. *See* 5 U.S.C. § 553(b), (c); 35 U.S.C. §§ 2(b)(2),
20 316(a). The Director, however, adopted the *NHK-Fintiv* Rule without notice-and-comment
21 rulemaking, instead propounding it as a binding rule by designating the *NHK* and *Fintiv* PTAB
22 decisions as precedential through a unilateral, internal process that involved no opportunity for
23 public comment. The Federal Circuit has held that “precedential” designations are not regulations.
24 *Facebook, Inc. v. Windy City Innovations, LLC*, 953 F.3d 1313, 1339-43 (Fed. Cir. 2020) (reinstated
25 on rehearing in relevant part, 2020 WL 5267975, Sept. 4, 2020). The Director does not engage in
26 “rulemaking” when taking the shortcut of designating PTAB institution decisions “precedential.” *Id.*
27 at 1340 (“[T]here is no indication in the statute that Congress . . . intended [the Director] to engage
28 in any rulemaking other than through the mechanism of prescribing regulations.”).

1 The APA exempts agencies from this notice-and-comment process when “good cause”
2 dictates that the process would be either “impracticable, unnecessary, or contrary to the public
3 interest.” 5 U.S.C. § 553(b)(B). The burden is on the agency to demonstrate good cause, and courts
4 have interpreted the exception narrowly. *See, e.g., Lake Carriers’ Ass’n v. EPA*, 652 F.3d 1, 6 (D.C.
5 Cir. 2011) (exception “must be narrowly construed and only reluctantly countenanced”).
6 “Impracticability” is limited to emergency situations that will result in substantial injury absent
7 immediate action. *See Jifry v. FAA*, 370 F.3d 1174, 1179-1180 (D.C. Cir. 2004) (good cause shown
8 where rule necessary to combat the “threat of further terrorist acts involving aircraft in the aftermath
9 of September 11, 2001”); *Hawaii Helicopter Operators Ass’n v. FAA*, 51 F.3d 212, 214-15 (9th Cir.
10 1995). “Unnecessary” circumstances arise only where the rule effects a minor change or when
11 providing notice and comment could not conceivably produce a different result. *See Lake Carriers’*,
12 652 F.3d at 10 (declining to remand for notice and comment where it would be “futile” and “serve[]
13 no purpose”); *Mack Trucks, Inc. v. EPA*, 682 F.3d 87, 94 (D.C. Cir. 2012) (notice and comment is
14 unnecessary where the rule “is a routine determination, insignificant in nature and impact, and
15 inconsequential to the industry and to the public”). A rule is “contrary to the public interest” in the
16 unusual circumstance where “the interest of the public would be defeated by any requirement of
17 advance notice,” such as when “announcement of a proposed rule would enable the sort of financial
18 manipulation the rule sought to prevent.” *Util. Solid Waste Activities Grp. v. EPA*, 236 F.3d 749, 755
19 (D.C. Cir. 2001). None of these “good cause” scenarios apply to the *NHK-Fintiv* Rule.

20 Next, if there is no good cause, agencies can only bypass the notice and comment
21 requirement “when a subsequent statute plainly expresses a congressional intent to depart from
22 normal APA procedures.” *Lake Carriers’ Ass’n*, 652 F.3d at 6 (citation and internal quotation marks
23 omitted); *see also* 5 U.S.C. § 559 (a “[s]ubsequent statute may not be held to supersede or modify
24 this subchapter . . . except to the extent it does so expressly”). No such statute exists here.

25 Congress drafted the AIA such that the Director is forbidden from sidestepping notice-and-
26 comment rulemaking. The Director has attempted to bypass this rule by requesting comment for the
27 *Fintiv* Rule on October, 20, 2020. Even if the PTO were to adopt its current policy through
28 rulemaking (which it has not), such a regulation would still be in conflict with the statute. The

Administrative Procedure Act provides this Court the power to remedy the PTAB's oversight in crafting the *NHK-Fintiv* Rule by compelling agency action "unlawfully withheld" (5 U.S.C. § 706(1)), and by setting aside agency action "without observance of procedure required by law" (5 U.S.C. § 706(2)(D)). This Court should do so here.

4. The USPTO Director is not provided with *Chevron* deference.

The Director does not get *Chevron* deference for rules made through precedential opinions that contradict statutory provisions. *Chevron* deference only applies to an agency's implementation of a particular statutory provision when "when it appears that Congress delegated authority to the agency generally to make rules carrying the force of law, and that the agency interpretation claiming deference was promulgated in the exercise of that authority." *United States v. Mead Corp.*, 533 U.S. 218, 226-27, (2001). The Supreme Court has stated that "a very good indicator of delegation meriting *Chevron* treatment [is] express congressional authorizations to engage in the process of rulemaking or adjudication that produces regulations or rulings for which deference is claimed." *Id.* at 229.

The express delegation of rulemaking authority is for the Director to promulgate regulations governing the conduct of IPRs. *See* 35 U.S.C. § 316(a). "[W]hen Congress expressly delegates to the Director the ability to adopt legal standards and procedures *by prescribing regulations*, the Director can only obtain *Chevron* deference if it adopts such standards and procedures *by prescribing regulations*." *See, e.g., Aqua Prods.*, 872 F.3d at 1334 (Moore, J., concurring); *see id.* ("The Board may adopt a legal standard through a precedential decision in an individual case, but that legal standard will not receive *Chevron* deference when Congress only authorized the agency to prescribe regulations."). There is no indication in the IPR statute allowing the Director to engage in rulemaking through precedential PTAB opinions. *See Mead*, 533 U.S. at 231-32 (declining to give *Chevron* deference when, "[o]n the face of the statute . . . the terms of the congressional delegation give no indication that Congress meant to delegate authority to . . . issue . . . rulings with the force of law"). Thus, the Court should give no deference to the precedential PTAB decisions that created the *NHK-Fintiv* Rule.

1 **5. The *NHK-Fintiv* Rule Undermines the Efficiency that the IPR Statute**
2 **Intended to Provide**

3 The *NHK-Fintiv* Rule allows district courts *to influence whether the IPR petition gets*
4 *granted*, which severely undermines Congress’s intent to have IPRs be an efficient and meaningful
5 substitute to district court litigation. 157 Cong. Rec. S5409 (daily ed. Sept. 8, 2011) (Sen. Schumer).
6 Under the *NHK-Fintiv* Rule, a district court can submarine an IPR petition by setting its trial date
7 before the Final Written Decision’s due date, which is a known date set in stone by the IPR statute
8 roughly a year and a half in advance. MPS’s own case in the District of Delaware provides one
9 example of how this can happen. In *Volterra Semiconductor LLC, v. Monolithic Power Systems,*
10 *Inc.*, No. 1:19-cv-02240, MPS notified the court about the *NHK-Fintiv* Rule and asked it to push the
11 trial date so that the MPS’s IPRs could be free from restraint by that rule. *See* Statement of Facts,
12 *supra* p. 3-4. But the district court declined, even though it had another trial scheduled for the same
13 date MPS’s trial was set to begin. *Id.* Based on this decision, *NHK-Fintiv* Rule remains in play for
14 MPS’s petitions, and the USPTO may deny institution based purely on the district court’s decision to
15 keep the speculative trial date where it was.

16 Put differently, MPS may be precluded from IPR solely because the district court declined to
17 defer to the USPTO and kept a speculative, double-tracked trial date on the books. This is
18 particularly unjust where, as here, the USPTO effectively extended the due date of the Final Written
19 Decision by delaying in according the petitions a filing date. This delay is permitted under the
20 USPTO rules, which makes the *NHK-Fintiv* Rule even more unjust. *See* 35 U.S.C. § 313; 37 C.F.R.
21 § 42.107.

22 Although *Fintiv* allows submission of evidence showing that the trial date has or will likely
23 change, the PTAB routinely refuses to give such evidence weight. *See, e.g., Cisco Sys., Inc. v. Ramot*
24 *at Tel Aviv Univ.*, No. IPR2020-00122, Paper 13 at 11 (May 15, 2020) (“[W]e decline to speculate
25 how the district court would rule on another stay request.”); *Sand Revolution II, LLC et al v.*
26 *Continental Intermodal Grp. - Trucking LLC*, No. IPR2019-01393, Paper 24 at 7 (PTAB June 16,
27 2020) (“In the absence of specific evidence, we will not attempt to predict how the district court in
28 the related district court litigation will proceed because the court may determine whether or not to
stay any individual case, including the related one, based on a variety of circumstances and facts

beyond our control and to which the Board is not privy.”). For example, in *Intel Corp. v. VLSI Tech. LLC*, the district court trial was scheduled to complete seven months before the PTAB’s projected statutory deadline for issuing a Final Written Decision. IPR2020-00158, Paper 16 (PTAB May 20, 2020). The PTAB recognized an “uncertainty about what effect the coronavirus disease 2019 (“COVID-19”) pandemic will have with respect to the trial date” and that the district court had suspended trials through June 30, 2020. *Id.* at 9. However, because of the “substantial gap” between the trial date and the projected PTAB deadline, the PTAB was not persuaded that COVID-19 would cause enough delay to the trial date to justify instituting review, and the second *Fintiv* factor weighed in favor of denial. *Id.* Additionally, any scheduling change for the trial date occurring 30 days after the Institution decision will not matter under the *NHK-Fintiv* Rule, since that is the deadline for filing a motion for reconsideration after an Institution Decision denying institution, and because decisions to not institute are not appealable. *See* 37 C.F.R. § 42.71(d)(2); *Cuozzo Speed Techs., LLC v. Lee*, 136 S. Ct. 2131, 2141 (2016) .

Finally, the *NHK-Fintiv* Rule is not just limiting access to IPR for MPS and other innovators, but it is undermining Congress’s goals and the public’s paramount interest “in seeing that patent monopolies . . . are kept within their legitimate scope.” *Blonder-Tongue Labs. Inc. v. Univ. Of Ill. Found.*, 402 U.S. 313, 343 (1971) (quoting *Precision Instrument Mfg. Co. V. Auto. Maint. Mach. Co.*, 324 U.S. 806, 816 (1945)). Bad patents are routinely asserted by nuisance patent holders in abusive litigation which forces amici curiae, startups, and small business innovators to waste time and money defending against meritless claims. The IPR statute was intended to protect against this exact problem, providing a more affordable alternative to “weed out bad patent claims efficiently.” *Thryv, Inc. v. Click-To-Call Techs. LP*, 140 S. Ct. 1367, 1374 (2020). The *NHK-Fintiv* Rule thwarts that goal by throwing up improper barriers to IPR petitioners.

V. CONCLUSION

The *NHK-Fintiv* Rule is wrong. It erroneously diminishes the rights provided by the one-year grace period in 35 U.S.C § 315(b). The PTO snuck the rule out the back door without notice-and-comment rulemaking. Nor is the *NHK-Fintiv* Rule entitled to *Chevron* deference. And the rule leaves the door open for district courts to submarine IPR petitions simply by setting speculative trial dates

1 in the early stages of a case. This Court should overturn the *NHK-Fintiv* Rule and restore the
2 application of the IPR statute to what Congress intended.

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